

KEY QUESTIONS

the big six

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What are important decision-making opportunities in Norway's annual budget process?

Indicative ministerial budget ceiling is set in March; budget details are determined from April to August

The Norwegian budget process runs over a two-year period: preparatory work starts about a year before the actual fiscal year, and the ongoing budget may be amended in the spring and in the autumn.

- Ministries prepare initial internal budget drafts:** From November 20 to the end of January, Norad and Norwegian embassies prepare the budget input to the relevant ministries, which in turn start their preparations for developing their budget for the following year. Budget suggestions by the ministries are due by January 25. Key stakeholders during this period are leaders at the Norwegian embassies, Norad, and Ministry for Foreign Affairs (MFA)'s leadership.
- First budget conference – Government decides on indicative ministerial budget ceilings:** By March, Norwegian embassies and Norway's development agency Norad have prepared their preliminary internal budgets for development programs. MFA and Norad leadership ultimately make decisions on budget allocations. In parallel, embassies start identifying bilateral projects for the coming year. Ministerial budget proposals are presented to the government at its first budget conference around March 10, on the basis of which the government sets indicative budget ceilings for each ministry; these are handed out around March 20.
- The MFA further refines internal budgets:** Once the government has set the MFA's indicative spending, the MFA further develops its budget from April to July/August within this framework. Requests for increases need to be strategically targeted towards the MFA's Departments for Regional Affairs and Development, UN and Humanitarian Affairs, and Economic Relations and Development.
- Second budget conference – government makes final decision on overall draft budget:** Usually in late August/September, the government holds its second budget conference to agree on final ministerial budget caps and political priorities. At this stage, the government approves the overall ODA volume and funding for major initiatives; it usually does not debate further details of the ODA budget.
- The government presents its budget proposal to Parliament:** Around September 20, the 'Yellow book', the Government's first proposal, is approved. In the beginning of October, the budget proposal is presented to Parliament. From October to December, the MFA and the other ministries adapt their budget draft to the final caps.
- Parliament debates draft budget:** From October to November, Parliament debates the government's budget draft. The Standing Committee on Finance and Economic Affairs can amend the proposed ceilings and detailed allocations for main expenditure areas up until November. Under the current government, amendments to the ODA budget are negotiated between the members of the coalition parties (Conservative Party, Progress Party, and the Liberal Party) and the supporting parties (currently Christian Democrats). The Standing Committee on Foreign Affairs and Defense may propose amendments. However, in practice, the Committee on Finance leads on reallocations between budget lines. The additional proposals need to be presented by November 10.
- Parliament approves budget:** By mid-December, the Parliament signs off on the budget for the upcoming year.

